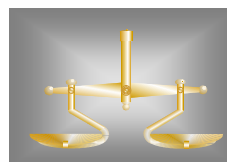


Disability Employment On the Agenda

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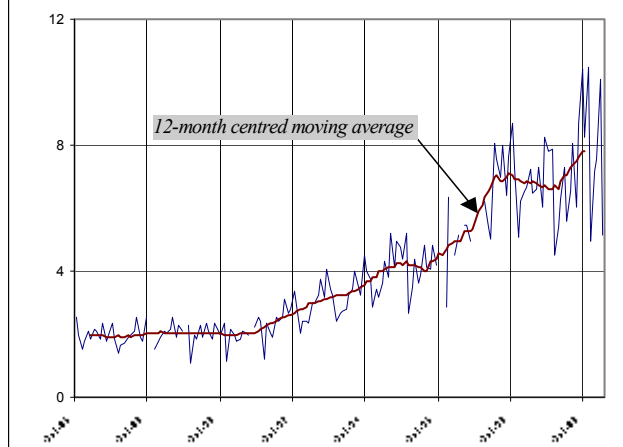
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Introduction

In the Jobcentres of the Swansea district area, staff might be feeling a sense of pride in their performance. Against an average for Great Britain of 8.0% in 2000/2001, in all five Swansea district Jobcentres job entries of unemployed people with disabilities as a percent of the total entries of jobless people were markedly up, with Swansea itself glowing at 14.1%¹. This achievement is set against a background of the area having a higher than average level of disabled people among the population compared to the national level. Up in Glasgow, however, things are not so good. The average for the ten Jobcentres for Glasgow South was only 4.9%. This is a city, however, where the population density of disabled people is particularly high. It is among 30 local authorities in Great Britain targeted by Government in its Neighbourhood Renewal Strategy as having a low employment rate and high numbers claiming out of work benefit.

Since the 1980's there has been a significant increase in the proportion of job placements into employment achieved by disabled people through Jobcentres, from around 2% of the total in 1986 to the current level of about 8%.

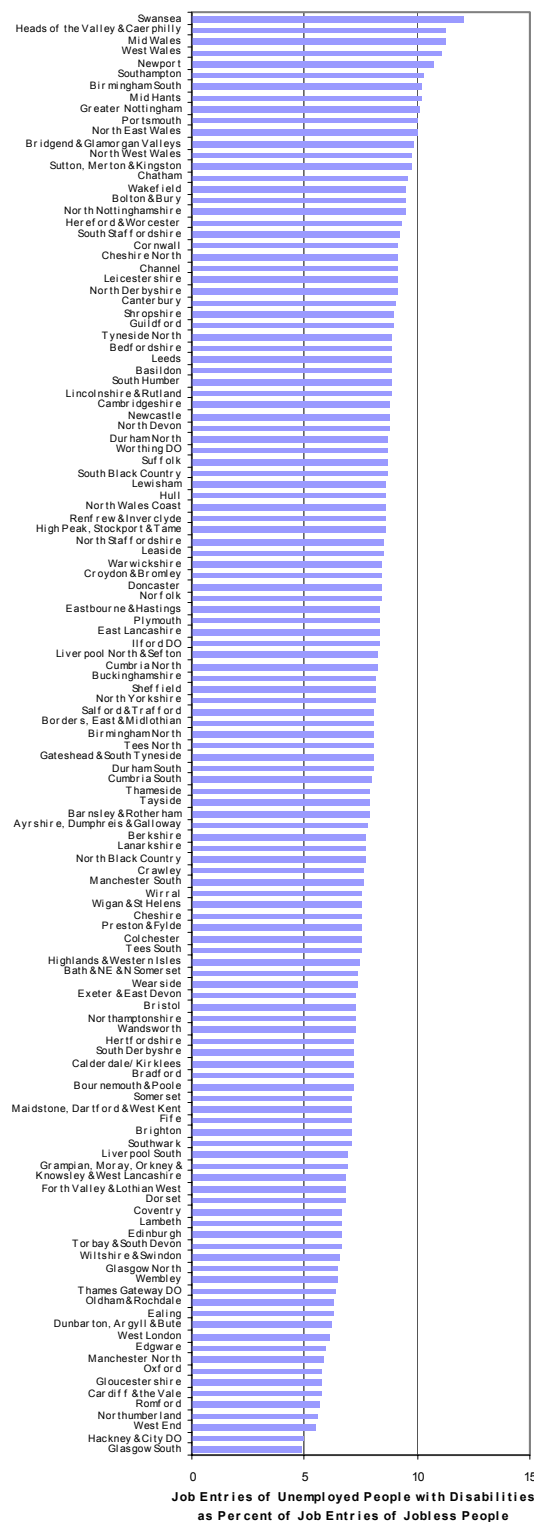
**Chart 1. Percent Disabled / Total Placements
All Jobcentres Great Britain**



While it is generally recognised that vacancies notified to Jobcentres form on average about a third of the total, with the rest made up through advertising and word of mouth, no comprehensive analysis of disability placements by these other methods is available. Within the Jobcentre analysis there is a wide dispersal of Jobcentre achievement about the current mean.

There have been a number of significant changes in the disability arena that have impacted on the apparent rise in Jobcentre placements for disabled people.

**Chart 2. Percent Disabled / Total Placements
Jobcentre District Results Great Britain
National Results 2000/2001 Cumulative Performance of
Employment Service Jobcentres**



¹ National Results 2000/2001 Cumulative Performance of Employment Service Jobcentres in Great Britain.

| Job Entries of Unemployed People with Disabilities as percent of Job Entries of Jobless People | Count (Approximate) |
|--|---------------------|
| 0-1 | 1 |
| 1-2 | 5 |
| 2-3 | 22 |
| 3-4 | 32 |
| 4-5 | 82 |
| 5-6 | 125 |
| 6-7 | 162 |
| 7-8 | 165 |
| 8-9 | 130 |
| 9-10 | 75 |
| 10-11 | 58 |
| 11-12 | 28 |
| 12-13 | 22 |
| 13-14 | 12 |
| 14-15 | 5 |
| 15-16 | 3 |
| 16-17 | 2 |
| 17-18 | 1 |
| 18-19 | 1 |
| 19-20 | 1 |
| 20-21 | 1 |
| 21-22 | 1 |
| 22-23 | 1 |
| 23-24 | 1 |
| 24-25 | 1 |
| 25-26 | 1 |
| 26-27 | 1 |
| 27-28 | 1 |
| 28-29 | 1 |
| 29-30 | 1 |
| 30-31 | 1 |
| 31-32 | 1 |
| 32-33 | 1 |
| 33-34 | 1 |
| 34-35 | 1 |
| 35-36 | 1 |
| 36-37 | 1 |
| 37-38 | 1 |
| 38-39 | 1 |
| 39-40 | 1 |
| 40-41 | 1 |
| 41-42 | 1 |
| 42-43 | 1 |
| 43-44 | 1 |
| 44-45 | 1 |
| 45-46 | 1 |
| 46-47 | 1 |
| 47-48 | 1 |
| 48-49 | 1 |
| 49-50 | 1 |
| 50-51 | 1 |

First, there have been several changes over the years to the definition of disability used by government to construct statistics, from a general definition in the earlier period '*a problem which would affect any kind of paid work they might do*' to the present complex one principally composed of the DDA² – current definition '*a problem which has a substantial and long-term adverse effect on normal day-to-day activities*', but coupled with an additional work-limiting definition '*a long-term problem which affects the kind or amount of work which they might do*'. Changes of this kind make it difficult to interpret long-run trends. Currently Jobcentres use the DDA current definition of disability to define the number of placements made. This excludes a proportion of people that come within the work-limiting definition.

Third, the Disability Discrimination Act has been introduced to improve the lot of the disabled with a now fully established body, the Disability Rights Commission, to monitor its provisions. Individual conciliation cases received by ACAS concerning the DDA rose to a record level in 2001/02, overtaking equal pay and race relations in numbers of cases received.

Clearly disability employment has been placed on the agenda, but are disabled people improving their share of employment in the national economy?

Since the 1980's there have been some improvements in disabled economic activity and employment rates. But increases have occurred also for those who are not disabled. Broadly over the period the ratio between the disabled and non-disabled economic activity rates has remained about level, indicating that no relative in-road into those who are inactive has been made. Disabled people make up about 42% of the inactive population of working age, with non-disabled women and men of working age accounting for 40% and 18% respectively.

The ratio of disabled/non-disabled employment rates, however, has improved, with a corresponding reduction in relative unemployment rates, although changes in collection periods and disability definitions, the 'wave' system used in LFS data, and some periods when data was less reliable mean that between 1990 and 1998 disability trends should be regarded with some caution³. Data from 1998 onwards is consistent however, and there was a small rise in the ratio of disabled/non-disabled GB employment rates from 0.57 in 1998 to 0.59 in 2002.

The graph displays two ratios over time from 1994 to 2009. The Y-axis represents the ratio, ranging from 0.0 to 0.7. The X-axis shows years from 1994 to 2009. A vertical line at 2004 separates the data into two periods: GB Data Pre-DDA Definitions (left) and UK Data Post-DDA Definitions (right). The blue line represents the Ratio Disabled Economic Activity Rate / Non-Disabled Rate, and the red line represents the Ratio Disabled Employment Rate / Non-Disabled Rate. Both ratios show a general upward trend, particularly after 2004.

| Year | Ratio Disabled Economic Activity Rate / Non-Disabled Rate | Ratio Disabled Employment Rate / Non-Disabled Rate |
|------|---|--|
| 1994 | 0.59 | 0.52 |
| 1995 | 0.60 | 0.52 |
| 1996 | 0.60 | 0.52 |
| 1997 | 0.59 | 0.51 |
| 1998 | 0.58 | 0.50 |
| 1999 | 0.61 | 0.53 |
| 2000 | 0.60 | 0.54 |
| 2001 | 0.58 | 0.51 |
| 2002 | 0.58 | 0.51 |
| 2003 | 0.55 | 0.49 |
| 2004 | 0.56 | 0.50 |
| 2005 | 0.60 | 0.56 |
| 2006 | 0.60 | 0.57 |
| 2007 | 0.60 | 0.57 |
| 2008 | 0.60 | 0.58 |
| 2009 | 0.61 | 0.59 |

It should be remembered, however, that in the 1980's the overall unemployment rate in the economy was more than double the current ILO rate, and it remains to be seen as to whether the employment position of the disabled would hold its own in the face of any future dramatic rise in unemployment.

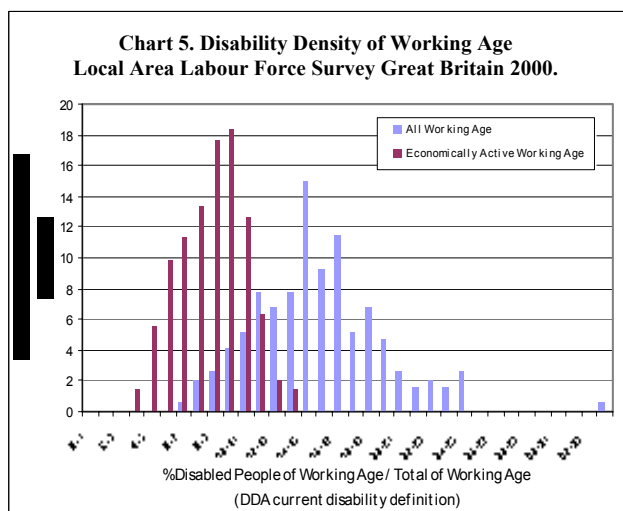
To set in context the current achievements of Jobcentres, and relative willingness of employers to provide improved employment levels for the disabled, recourse is made to statistics of the Local Area Labour Force Survey. Indeed the Office of the Deputy Prime Minister indicates this source of information as a basis for setting targets for Local Public Service Agreements¹.

2

On the full definition of disability, the figure of 6.6m long-term disabled in 2000 represents 18.7% of the total population of working age for Great Britain, more than twice the percentage level of placements of 8% achieved by Jobcentres. On the reduced DDA current disability definition this is still at 15.3% of the total, approaching twice the Jobcentre achievement level.

Jobcentre Disability Employment Advisers have not previously, however, been empowered to give employment advice and help to those who are not deemed fit for work or registered as unemployed (economically inactive). Considering only those who are economically active therefore (employed and unemployed), then the percentage of the working population who are disabled on the full-definition reduces to 12.3%, and on the DDA current disability definition to 8.8%, which is still above the level of current Jobcentre achievement.

The distribution of the disabled about the country is not uniform and there are some areas where the problem is significantly greater or less than the average. On the DDA definition of disability for example, according to the Local Area Labour Force Survey (upper tier), about a third of the population of working age in Merthyr Tydfil are disabled with Rhondda close behind at a quarter. At the other end of the spectrum in Buckinghamshire the proportion disabled is down to 8.6%, a much smaller problem to tackle.



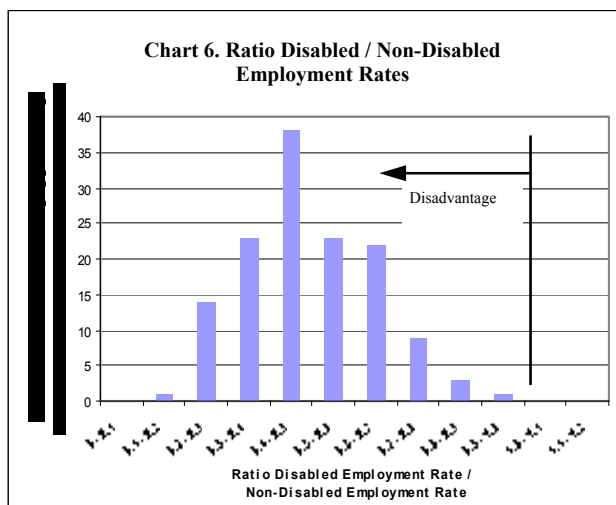
Note: Some ua counties and data suppressed for lack of reliable data. 193 records available for 'All of Working Age' and 142 records available for 'Economically Active'

Government Targets

The Government, in its National Strategy Action Plan for Neighbourhood Renewal, sets a baseline for an employment rate of 47.4% for people with disabilities, being the rate obtained from the spring 2001 Labour Force Survey for Great Britain. For about a third of UA Counties (upper tier) there are no reliable statistics of employed disabled people from the Labour Force Survey (DDA definition) on which to base a target. Of the rest about 30% achieve a level of 47.4% or better, and the remainder fall below. It comes as no surprise to learn that most of the government's targeted areas for Neighbourhood Renewal have disabled employment rates of less than 30%.

However, the government's strategy sets no quantified target to be achieved over time for this measure, or for its ratio to that for those who are not disabled, and states also that it is subject to the economic cycle. Thus the ratio of the disabled / non-disabled employment rates could reduce if unemployment were to rise sharply or employment among non-disabled people were to rise, and the disabled could lose their share of the total.

For the year 2000, on the basis of the DDA current disability definition only, the ratio of disabled / non-disabled employment rates for Great Britain is about 0.52, a little less than the rate based on long-term disability.

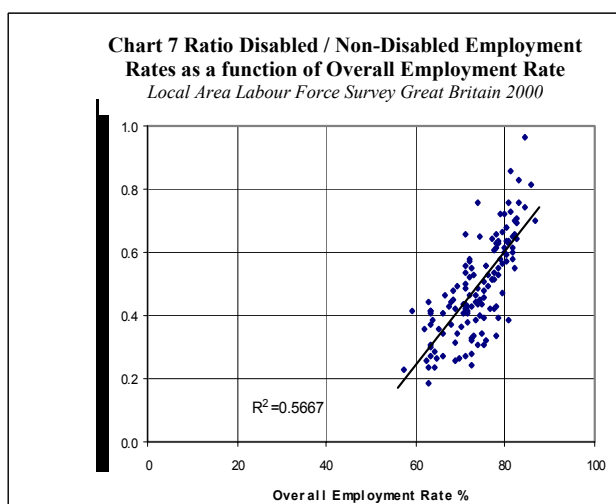


There is however a wide variation about this level, with some ua counties having ratios lower than 0.30. Among the low performing areas are some with otherwise quite respectable overall employment rates.

Chart 8 overleaf provides detailed ratios posted by UA Counties (upper tier) where data of the Local Area Labour Force Survey have not been suppressed for reliability.

Impact of the Labour Market

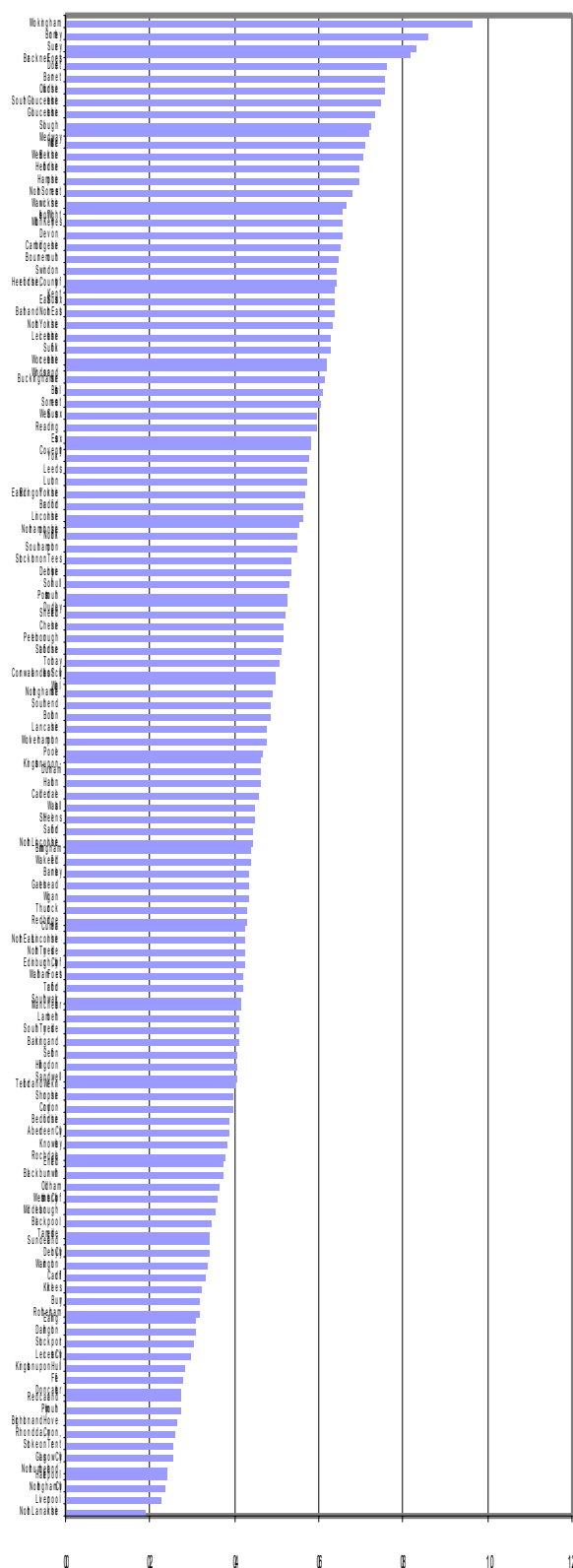
Some idea as to the possible impact that changes in the labour market may have on the employment of disabled people may be gained from analysis of regional variations.



Note: 134 records available for analysis.

On a regional basis, there appears to be some relationship of disability employment to overall employment, and should employment condition markedly deteriorate, then the employment rate of the disabled relative to that for non-disabled may decline significantly. This is a particular disadvantage faced by disabled people in open employment, even with the Disability Discrimination Act in place. The above analysis, however, is based on the results for one year only and does not take account of any possible changes that may occur over time.

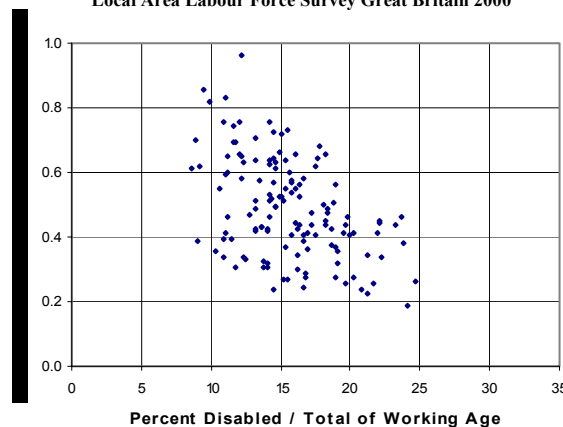
**Chart 8. Ratio Disabled / Non-disabled Employment Rates
UA Counties (Upper Tier)**
Local Area Labour Force Survey Great Britain 2000
(where samples statistically valid)



Note: About a third of upper tier ua counties are missing from this table owing to suppression of data as being unreliable.

It might be thought that there would be some link between disability employment and the density of the local disabled population. Chart 9, using regional figures, indicates that this may not be very strong. No trend-line has been included since the best correlation coefficient obtained was in the region of 0.2.

**Chart 9. Ratio Disabled / Non-disabled
Employment Rates
as a function of Disability Density**
Local Area Labour Force Survey Great Britain 2000



Thus the main determining factor in the share of employment taken up by the disabled appears to be the effect of the strength of the labour market, although this may of course be adjusted for over time by any specific legislative and management measures that government take to move the equilibrium position away from the current levels that are achieved by employees, employers, Jobcentres and recruiters.

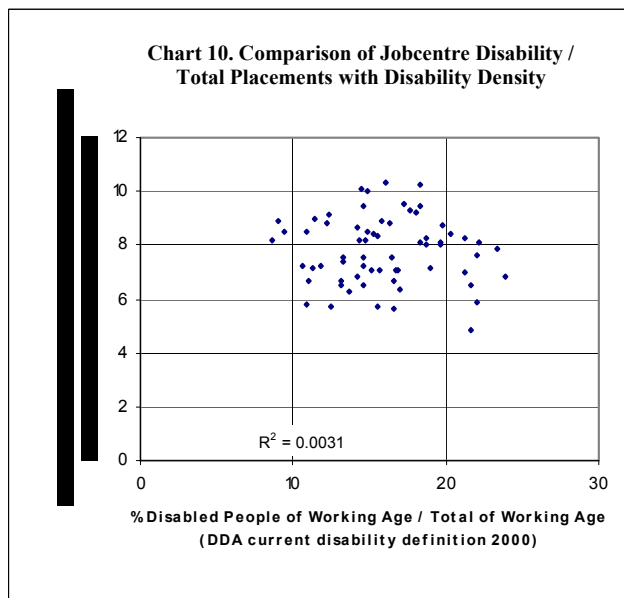
Jobcentre District Results

Because Jobcentre results are based upon catchment areas, and the Local Area Labour Force Survey is based upon UA county areas, it is not possible to make a complete direct comparison between the two data sets. This problem was partly attacked under the Jobcentre Plus reorganisation but not completely resolved. The following analysis was obtained by comparing the description of each area, and where this was the same or close (eg. Bedfordshire, Leicestershire, Fife) the results were brought together. In this way results for about 65 areas were compared.

Comparisons of the percent of disabled/total placements at Job centre districts for 2000/2001 were made with the disability density, the overall employment rate and the ratio of disabled / non-disabled employment rates. Chart 10 shows the spread of the results of comparing with disability density of working age.

There appears to be no relation of the percent of disabled placements / total placements to the disability density of working age. It is possible that the result might be significantly distorted because of area definitions and the exclusion of two-thirds of the data. But if not then Jobcentre disabled placements are not dependent upon the relative number of disabled people of working age in the area.

Comparisons of the percent of disabled/total placements at Job centre districts for 2000/2001 to the overall employment rate for the area, and to the ratio of disabled / non-disabled employment rates also yield similar results, with correlation coefficients of negligible value.



Note: 65 records available for analysis.

These results appear somewhat unexpected, implying that disabled placements at Jobcentres are not related particularly to local conditions of overall employment rate, disability density or relative share of employment taken by the disabled, and that other factors such as the specific willingness of local employers to absorb disabled people through Jobcentres and the particular effort put in by individual Jobcentres may be important.

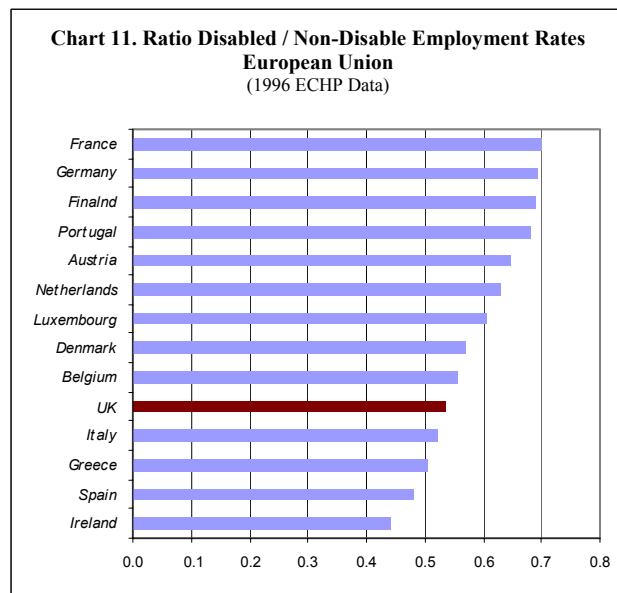
Clearly more work needs to be done to determine the true relationships net of distortions and what needs to be done to improve disability recruitment policies if such distortions are not apparent.

International Comparisons

2003 has been designated 'European Year of Disabled People' by the European Union, a proposal which the UK government supports with the theme of 'promoting rights and participation'. A study prepared for the European Commission⁵ provides information on participation (economic activity) and unemployment rates for disabled and non-disabled people⁶ among 14 countries. Among disabled people the UK has participation and employment rates about the average for the European Union. Among those not disabled, however, the UK position appears to be high relative to the other countries. This has the effect of depressing the ratio of disabled / non-disabled participation and employment rates for the UK relative to other European countries. Since 1996 however, the year when the original data was collected, the UK position in terms of the general level of unemployment has improved relative to the average for the European Union.

⁵ The Employment Situation of People with disabilities in the European Union. EIM Business & Policy Research, European Communities 2001 Table 3.1.

⁶ Malo and Garcia-Serrano (2001), based on ECHP, 1996.



Employment rate calculated as Participation rate adjusted by unemployment rate.

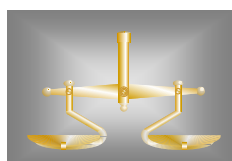
Other Disability Considerations

This paper has concentrated upon analyses concerning Jobcentres and disability data, and has not considered other effects of age, sex or specific disabilities. The author has however researched and published other papers covering these as background material for his consultancy.

The impact of more recent policies beyond 2000, such as New Deal for the Disabled, may be the subject of future work.

Acknowledgement

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